



Lake Arrowhead Community Services District

**2020-21 and 2021-22 Draft Budget
Board of Directors Meeting
April 28, 2020**



BUDGET CALENDAR

- April 28th– Board Meeting, Budget Workshop
- May 26th – Board Meeting, Approve Draft Budget
- June 23rd – Board Meeting, Final Budget Public Hearing



2020-21 and 2021-22 Draft Budget Summary

DISTRICT TOTAL	2019-20 Budget	2020-21 Budget	2021-22 Budget
TOTAL REVENUES	\$ 18,859,592	\$ 19,455,589	\$ 19,816,291
TOTAL EXPENSES	<u>\$ 17,200,844</u>	<u>\$ 17,178,591</u>	<u>\$ 17,901,721</u>
NET INCOME	\$ 1,658,748	\$ 2,276,998	\$ 1,914,570



2020-21 and 2021-22 Draft Budget - Revenue

Enterprise	2019-20	2020-21		2021-22	
	Budget	Budget	% Chg	Budget	% Chg
Water	\$ 7,060,475	\$ 7,308,669	3.5%	\$ 7,446,090	1.9%
Wastewater	\$ 11,362,594	\$ 11,698,092	3.0%	\$ 11,917,037	1.9%
Deer Lodge Park	\$ 164,495	\$ 176,708	7.4%	\$ 181,109	2.5%
Rimforest	\$ 272,026	\$ 272,120	0.0%	\$ 272,057	0.0%
District Total	\$ 18,859,590	\$ 19,455,588	3.2%	\$ 19,816,292	1.9%



2020-21 and 2021-22 Draft Budget – Expenses

OPERATING EXPENSES	2019-20	2020-21		2021-22	
	Budget	Budget	% Chg	Budget	% Chg
Water	\$ 7,711,095	\$ 7,491,927	-3%	\$ 7,855,328	5%
Wastewater	\$ 9,018,819	\$ 9,199,522	2%	\$ 9,543,919	4%
Deer Lodge Park	\$ 217,127	\$ 234,313	8%	\$ 242,334	3%
Rimforest	\$ 253,803	\$ 252,829	0%	\$ 260,140	3%
District Total	\$17,200,844	\$17,178,591	0%	\$17,901,721	4%



2020-21 and 2021-22 Draft Budget – Personnel

Personnel Expense	2019-20	2020-21		2021-22	
	Budget	Budget	% Chg	Budget	% Chg
Salaries & Wages	\$ 4,404,460	\$ 4,622,606	5%	\$ 4,882,017	6%
Longevity Pay	\$ 85,799	\$ 78,342	-9%	\$ 78,342	0%
Certification Pay	\$ 35,370	\$ 30,935	-13%	\$ 30,935	0%
Car Allowance	\$ 28,800	\$ 42,200	47%	\$ 42,200	0%
On Call Wages	\$ 134,079	\$ 125,740	-6%	\$ 125,740	0%
Pension Plan	\$ 987,310	\$ 997,398	1%	\$ 1,124,338	13%
Deferred Compensation	\$ 67,152	\$ 67,045	0%	\$ 69,056	3%
FICA	\$ 328,147	\$ 344,280	5%	\$ 354,594	3%
Health Insurance	\$ 1,036,760	\$ 1,136,883	10%	\$ 1,250,571	10%
Dental Insurance	\$ 79,818	\$ 78,223	-2%	\$ 78,223	0%
Life, Long Term Disability	\$ 29,431	\$ 27,006	-8%	\$ 25,776	-5%
Workers Comp	\$ 152,524	\$ 139,317	-9%	\$ 139,317	0%
Total Personnel Expense	\$ 7,369,650	\$ 7,689,974	4%	\$ 8,201,109	7%



2020-21 and 2021-22 Draft Budget – Pension/UAL

	2019-20 Budget	2020-21 Budget	% Chg	2021-22 Budget	% Chg
Pension Costs					
Employer Normal Portion	\$ 456,348	\$ 484,778	6%	\$ 502,819	4%
Min Unfunded Liability Pmt	<u>\$ 570,962</u>	<u>\$ 550,551</u>	-4%	<u>\$ 652,900</u>	<u>19%</u>
<i>Budgeted Required Payments</i>	<i>\$1,027,310</i>	<i>\$1,035,329</i>	<i>1%</i>	<i>\$1,155,719</i>	<i>12%</i>
Unfunded Liability Accelerated Pmt	<u>\$ 300,000</u>	<u>\$1,700,000</u>	<u>467%</u>	<u>\$1,700,000</u>	<u>0%</u>
Total Budgeted Pension Payments	\$1,287,310	\$2,735,329	112%	\$2,855,719	4%



2020-21 and 2021-22 Draft Budget – CIP

Capital Improvement Plans	2020-21	2021-22
Water Capital Expenditures	\$ 6,709,050	\$ 6,267,850
Deer Lodge Park Capital Expenditures	\$ 270,000	\$ 781,000
Wastewater Capital Expenditures	\$ 12,017,294	\$ 9,051,150
Rimforest Capital Expenditures	\$ -	\$ -
District Total Capital Expenditures	\$ 18,996,344	\$ 16,100,000



2020-21 and 2021-22 Draft Budget – Debt Service

Debt Service	2020-21	2021-22	Future Yrs	Total
2016 Revenue Bonds	\$ 1,348,000	\$ 1,341,375	\$ 22,802,975	\$ 25,492,350
City of Big Bear Lake	\$ 57,784	\$ 43,338	\$ -	\$ 101,122
Total Debt	\$ 1,405,784	\$ 1,384,713	\$ 22,802,975	\$ 25,593,472
Water				
2016 Revenue Bonds	\$ 458,320	\$ 456,067	\$ 7,753,011	\$ 8,667,398
Wastewater				
2016 Revenue Bonds	\$ 889,680	\$ 885,308	\$ 15,049,964	\$ 16,824,952
Rimforest				
City of Big Bear Lake	\$ 57,784	\$ 43,338	\$ -	\$ 101,122
Total Debt	\$ 1,405,784	\$ 1,384,713	\$ 22,802,975	\$ 25,593,472



Contingencies in Response to COVID-19

- Expenses not expected to be impacted
- Revenue not currently significantly affected, but may have vulnerabilities
 - Service Fees – likely increase in delinquencies and reduced consumption
 - Property Taxes – not currently a concern but may be a mild issue in FY21-22.



Contingencies in Response to COVID-19

- What does a 10% decline in revenue (\$1,945,000) imply?
 - Reduction of non-critical operating expenses (ie: marketing, sewer monitors, etc.)
 - Delay/reduce planned non-critical CIP and/or accelerated UAL payment (approx. \$1.7M)
 - Delay/eliminate purchase of replacement fleet vehicles (approx. \$300k)
 - No adverse impact to District operations



Contingencies in Response to COVID-19

- What does a 25% decline in revenue (\$4,860,000) imply?
 - Reduction of non-critical operating expenses (ie: marketing, sewer monitors, etc.)
 - Delay/eliminate planned non-critical CIP (approx. \$2.86M) and accelerated UAL payment (approx. \$1.7M)
 - Delay/eliminate purchase of replacement fleet vehicles (approx. \$300k)
 - No immediate adverse impact to District operations, but not sustainable if continued for multiple years.



Questions?